



SECURITIES
CLEARING CORPORATION
OF THE PHILIPPINES

Memo for Brokers

No. 03-1017

For : All Clearing Members and the Investing Public
Date : October 20, 2017
Subject : Amendment to SCCP Rule on the Definition of "Business Day"

Last October 16, 2017, the PSE issued Memorandum CN-No. 2017-0060 inviting comments from Trading Participants and the investing public on the proposed amendment to the trading rules. The proposal seeks to make it a policy of the Exchange "to continue to operate and remain open for trading even on days when the clearing activities of the *Bangko Sentral ng Pilipinas* (BSP) or Philippine Clearing House Corporation are suspended."

Such amendment necessitates revision of the SCCP Rule on the definition of "Business Day". In the present definition of "Business Day", SCCP shall be closed for business on holidays and business days wherein trading activities of the PSE and normal operations of the BSP and PCHC are suspended. In other words, said differently, when the normal operations of the BSP and PCHC are suspended, it follows that trading in the PSE is likewise suspended. However, with the proposed amendment in the PSE rules that there may be trading in the PSE even on business days when clearing activities of the BSP or the PCHC are suspended, SCCP's Rules should be changed accordingly.

In view thereof and for the avoidance of doubt, the Board of Directors of the Securities Clearing Corporation of the Philippines (SCCP) in their meeting held on October 18, 2017, approved the following amendment to Rule 1.1 of its Revised Clearinghouse Rules on the definition of "Business Day".

Present definition under Rule 1.1 Defined Terminology

"Business Day"

means a day and the hours on which SCCP is open to business to Clearing Members. This shall exclude holidays and business days wherein trading activities of the Philippine Stock Exchange, Inc. and clearing activities of the *Bangko Sentral ng Pilipinas* or *Philippine Clearing House Corporation* are cancelled for same day recognition and effectivity.

Amended to read as follows:

"Business Day"

means a day and the hours on which SCCP is open to business to Clearing Members. This shall exclude Saturdays, Sundays, legal holidays, special holidays and business days wherein normal operations of the *Philippine Payments and Settlements System of the Bangko Sentral ng Pilipinas* and the *Philippine Clearing House Corporation* are suspended.

Attached for your reference is *Annex A* showing the original definition of "Business Day", the proposed revisions thereto and the rationale for such revisions.

If you have any comments with regard to the proposed amendment to the SCCP Rules, please email the undersigned at rdrubio@sccp.com.ph no later than November 06, 2017.

Thank you for your cooperation.

Thank you.



Renee D. Rubio
Chief Operating Officer

Proposed Revision in the Rules and Rationale

Current Rule	Proposed Revision	Rationale
<p>Rule 1.1 Defined Terminology</p> <p>"Business Day" means a day and the hours on which SCCP is open to business to Clearing Members. This shall exclude holidays and business days wherein trading activities of the Philippine Stock Exchange, Inc. and clearing activities of the <i>Bangko Sentral ng Pilipinas</i> or <i>Philippine Clearing House Corporation</i> are cancelled for same day recognition and effectivity.</p>	<p>Rule 1.1 Defined Terminology</p> <p>"Business Day" means a day and the hours on which SCCP is open to business to Clearing Members. This shall exclude Saturdays, Sundays, legal holidays, special holidays and business days wherein normal operations of the <i>Philippine Payments and Settlements System</i> of the <i>Bangko Sentral ng Pilipinas</i> and <i>Philippine Clearing House Corporation</i> are suspended.</p>	<p>The proposed revision is to clearly state that SCCP will be closed for business only on Saturdays, Sundays, legal holidays, special holidays and on business days when the normal operations of the BSP's PhilPaSS and the PCHC are suspended. Moreover, SCCP will be open for settlement regardless of whether there is trading in the PSE or not, for as long as PhilPaSS and PCHC have normal business operations.</p>